
STATE OF INDIANA

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Sales Disclosure Form FAQs May 2007

If any of the following FAQs conflict with FAQs previously issued by the DLGF, the 2007 FAQs take precedence.

1. Where do I file a sales disclosure form?
 - a. IC 6-1.1-5.5-3 was recently amended to require a party to submit the sales disclosure form to the county assessor, who is responsible for reviewing the form for accuracy and completeness. If the form is accurate and complete, the county assessor stamps the form as eligible and returns it to the appropriate party for filing with the county auditor. If multiple forms are filed, the county assessor shall process the forms as quickly as possible.
2. What is considered an accurate and complete sales disclosure form?
 - a. The recent amendment to IC 6-1.1-5.5-3 specifies that a form is accurate and complete if the county assessor does not have substantial evidence the information is inaccurate, the form conforms with that prescribed by the DLGF, and the form is submitted to the county assessor in a format usable to the county assessor.
3. Can an assessor establish specific requirements for filing a sales disclosure form?
 - a. In general, counties should not deviate from procedural guidance or directives on sales disclosure forms provided by the DLGF. IC 6-1.1-5.5-3 was recently amended to include subsection (f), which precludes assessing officials from establishing procedures or requirements that differ substantially from that required by law. The DLGF is in the process of writing procedural guidance on filing sales disclosure forms.
4. Are all 5 pages required when submitting a sales disclosure form?
 - a. No, only the 2 pages with information regarding the sale are required to be submitted.
5. Does the form call for more information than the statute requires and how can the form be simplified or supplemented?
 - a. The form contains the information required by statute and information that county auditors and county assessors asked to be added to the form.

6. For the most part, the form asks for germane information, but there may be some redundancy. For instance, if I describe the real estate by tax parcel, then the UPC card would tell anyone checking it some of the other information sought, like the acreage, etc. How much more is needed?
 - a. All fields that apply to the sale should be completed. County auditors are responsible for ensuring that all parties to the conveyance have completed and signed the form as required. County assessors and auditors should not accept incomplete sales disclosure forms. Under Indiana law, a conveyance document may not be accepted or recorded without a properly completed sales disclosure form. Note that while indicating that certain conditions/items will result in not paying a sales disclosure filing fee, the buyer or seller is still responsible for completing the form in full. There will be instances when no sales condition applies; the county assessor and auditor should still accept the signed form.
7. What color of ink should be used on a sales disclosure form?
 - a. The form should be either typed or printed in black ink, per the instructions on the form. The signatures on page 2 do not have to be in black ink.
8. Who can sign the form (for instance, can legal counsel)?
 - a. A bank or title company must have a notarized power of attorney form to be an authorized representative for the buyer or seller. An attorney representing either party is not required to have a power of attorney. Note that in cases where a corporation is the seller or buyer, a resolution or other legal document that designates authorized signatories for the business is an acceptable substitute for a power of attorney. Any person signing for the buyer or seller must be identified clearly and must provide contact information, including complete and legible name, address and telephone number.
9. Would it be acceptable if you have a parcel number that you could skip something else all together? Basically, what information must be included for substantial compliance?
 - a. All fields that apply to the sale should be completed. County auditors are responsible for ensuring that all parties to the conveyance have completed and signed the form as required. County assessors and auditors should not accept incomplete sales disclosure forms. Under Indiana law, a conveyance document may not be accepted or recorded without a properly completed sales disclosure form. Note that while certain conditions/items will result in not paying a sales disclosure filing fee, the buyer or seller is still responsible for completing the form in full.
10. Must someone retain the original signatures when we e-file in Marion County? If so, how long must they be retained?
 - a. The signatures are not needed in Marion County.

- 11.** Should a defective filing be permitted, which would still allow recording of the document and not delay or prevent perfection of the transfer, but then require that deficiencies be corrected later? Would this policy apply to any defect or only a technical error or something of that nature?

 - a.** IC 6-1.1-5.5-3 states that the sales disclosure form must accompany the conveyance document.
- 12.** Why are there procedural and administrative issues and lack of uniformity of treatment among the counties?

 - a.** See response to question 3. Also, the DLGF conducts sales disclosure training throughout the state.
- 13.** Why are there inconsistencies among counties about what counts as a “conveyance document” under I.C. 6-1.1-5.5-2? For example, some counties treat an affidavit of survivorship (recorded by a surviving joint tenant or by an heir or legatee of a deceased record owner) as a “conveyance document” even though the affidavit doesn’t affect a transfer, but merely reflects a transfer that has occurred by operation of law.

 - a.** When filing an affidavit, a sales disclosure form is not required.
- 14.** This is tangentially related to the previous question and to the issue of what is a “conveyance of land” for purposes of I.C. 36-2-11-14. What action triggers the requirement for the auditor’s endorsement on the document under I.C. 36-2-9-18 and the payment of an endorsement fee in some counties?

 - a.** The term “conveyance” is defined in IC 6-1.1-5.5 for the purposes of sales disclosure forms as “any transfer of a real property interest for valuable consideration except a transfer to a charity.” Therefore, whenever someone gives something of value in exchange for land, a “conveyance” has occurred that triggers the endorsement requirement and payment of established fees. The auditor’s endorsement under IC 36-2-11-14 is a separate requirement from those relating to sales disclosure forms under IC 6-1.1-5.5 and is beyond the scope of these FAQs.
- 15.** Why are there inconsistencies among the counties about whether acreage must be disclosed? Acreage or size is not a specifically required element under IC 6-1.1-5.5-5(a), but at least one county typically insists on being told the acreage of each resulting parcel in case of a split. It is more difficult in some counties than in others to discover what tax parcel I.D. number should be used on Page 1 of the sales disclosure form.

 - a.** See response to question 3. Also, the DLGF conducts sales disclosure training throughout the state.

- 16.** Can the DLGF provide guidance to resolve the inconsistencies that exist among the counties about whether the tax billing address on Page 1 of the form should be the current, pre-transaction mailing address for tax bills or if it should be the tax billing address after the conveyance?
- a.** The tax billing address on Page 1 of the sales disclosure form should be the address where property tax bills should be mailed in the future, if different than the property address.
- 17.** What can be done about insufficient space that exists on Page 2 where the filer is required to fill in or write the name and address of the preparer of the form?
- a.** We will take this into consideration the next time the form is revised.
- 18.** Why are there inconsistencies that exist among the counties about when a particular sales disclosure form will or will not trigger the sales disclosure filing fee under IC 6-1.1-5.5-4? In the form's instructions under "Sales Conditions/Items," the last sentence is poorly worded and does not provide helpful guidance at all on this issue. The last sentence reads: "Please note that while indicating that certain conditions/items will result in not paying a filing fee, the buyer/grantee or seller/grantor is still responsible for completing the form in full." This ambiguity forces the preparer to make phone calls to individual auditors and prepare a list of the various counties' idiosyncrasies.
- a.** The form should be filled out completely regardless of the conditions of sale that may make the sales disclosure form exempt from the filing fee. When a sale falls within conditions 12 through 21 on the form, the transaction is exempt from the filing fee. However, a sales disclosure form must still be completed for the transaction.
- 19.** Since 2001, the General Assembly and the DLGF have steadily increased the information reporting burdens imposed on parties to real estate transactions. Although this should be decreasing the workload of the county auditors and assessors, the amounts of various filing and endorsement fees have only increased, as have the occasions on which the counties are permitted or required to charge and collect those fees. What can be done about this situation?
- a.** The DLGF gladly accepts suggested changes to the sales disclosure form from local officials and other interested parties. Please note that we try to limit the frequency of new versions of the form when possible.
- 20.** Why would a county not accept a copy of the sales disclosure form, even though it had original signatures?
- a.** Without more information, we cannot comment on why the form was not accepted.
- 21.** In one county, if the form is more than 1/16th of an inch shifted, it will not be accepted. Why is the position and size of the form so important?
- a.** Many counties are utilizing scanning solutions to create the sales data required by the state. Scanning solutions require documents to be quite precise for them to be effective.

- 22.** In one county, only electronic filing is accepted. The questions raised are how long must the original forms be retained and what should be done with the yellow sheets?
- a.** IC 6-1.1-5.5-3 requires the county assessor to retain the forms for five years. The yellow sheets of property tax benefits should be provided to the buyers at closing.
- 23.** Why would a county return the sales disclosure form, along with the deed that had already been recorded, because there was no telephone number on the form for the buyer?
- a.** The phone number is a required part of the form. If either the buyer or the seller does not have a phone number, the preparer's phone number should be used, with a note in the special circumstances box on page 1 of the form. Phone numbers on sales disclosure forms are confidential and are not public record.
- 24.** In one county, the auditor would not allow the telephone number to be inserted and asked that a whole new original sales disclosure form be prepared. Is this standard practice?
- a.** The DLGF does not believe that this is standard practice. Also, please see the response to question 3.
- 25.** What does the DLGF say in response to auditors' reports of being pressured by the DLGF regarding the sales disclosure forms?
- a.** Sales disclosure forms are very important to ensure fair and equitable assessments. The DLGF works to ensure that everyone understands the importance of the forms.
- 26.** Can the form be eliminated?
- a.** IC 6-1.1-5.5-3 requires the filing of sales disclosure forms. Eliminating the form would require legislative action, and another method for obtaining market value in use data would likely take its place.
- 27.** Some counties require 18 digit state key numbers for parcels. Some only want county parcel numbers. Which is correct?
- a.** What the county requires for the parcel number is a local decision due to the various interfacing methods used among the several counties' assessment systems.
- 28.** If a sale involves acreage, why is there a problem if it does not agree with the auditor's records?
- a.** The DLGF uses information from sales disclosure forms as part of the ratio study analysis process, among other uses. If information about parcels differs from one source to another, it makes it very difficult to compare information from the different datasets.

- 29.** Some counties require an appraisal value even for exempt property. One county requires property owners to put zeros in the sales data entry blank if a sale has not occurred, while another county will not accept a form without a sales price indicated. When is a sales price required?
- a.** The sales price is required for every transaction in which money has changed hands, even if the transaction is exempt from the filing fee. If no money has changed hands, then the sales price should be entered as zero.
- 30.** Some counties do not charge for exempt transactions, other counties do. Some counties charge per tract of real estate, so that if there are three tracts there are three charges. What are the DLGF's recommendations on filing fees?
- a.** The fee for filing a sales disclosure is \$10 per sales disclosure form, unless one of the conditions numbered 12-21 are met, then no fee is charged. If multiple parcels were part of the same sale, then only one sales disclosure form must be filed, listing all the parcels included in the sale.
- 31.** One county requires parcel numbers on all deeds even though this information is duplicated on the sales disclosure form. The deed is returned if parcel numbers are not on the deed. Can the DLGF comment on this practice?
- a.** While the DLGF does not deal specifically with deeds, the DLGF would recommend placing parcel numbers on the deed.
- 32.** Some counties require a double-sided sales disclosure form, while others require two separate pages so that the form can be more easily scanned. Is there a standard for this?
- a.** Many counties are utilizing scanning solutions to create the sales data required by the state. Scanning solutions have different requirements, therefore, we will not standardize single or double sided.
- 33.** One county requires \$5.00 per document when sending an exempt disclosure form with the deed and the power of attorney to be recorded. They actually charge \$5.00 for the deed and \$5.00 for the power of attorney.
- a.** The DLGF can only exempt transactions from the \$10 Sales Disclosure Filing fee described in IC 6-1.1-5.5, not any other local filing fees that may be associated with the transfer of property.
- 34.** One office reports that it is their practice to always call ahead of time to find out requirements for filing the sales disclosure forms in the county before mailing in the sales disclosure form along with the deed for recording. Nevertheless, the sales disclosure form is often returned as it has been reviewed by someone else in the auditor's office. In fact, what constitutes a valid sales disclosure form varies within the same office if there is more than one individual that handles sales disclosure forms. What does the DLGF suggest in these circumstances?
- a.** IC 6-1.1-5.5-3 was recently amended to include subsection (f), which precludes assessing officials from establishing procedures or requirements that differ substantially from that required by law. The DLGF is in the process of writing procedural guidance on filing a sales disclosure form. We encourage all counties

to use this new directive as a guide for processing sales disclosure forms. The DLGF also conducts sales disclosure form training throughout the state to encourage consistency in reviewing sales disclosure forms.

- 35.** Exempt transactions are not applied uniformly across the state. Many auditors still want the form filled out completely even though the transaction is exempt. Is all information required for exempt sales disclosures?
- a.** All fields that apply to the sale must be completed, regardless of whether the transaction is exempt from the filing fee.

*According to a non-code provision of SEA 281-2007, in 2007, an interim study committee, with input from the DLGF, will be reviewing issues relating to sales disclosure forms and procedures. The committee will determine whether there are ways to (1) improve the efficiency of the system for real property sales disclosure established in IC 6-1.1-5.5; (2) decrease the administrative burden of real property sales disclosure on parties to a real property conveyance; and (3) the role of the DLGF in the process.